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How Can We Instill a Culture of Accountability in Employees in Manufacturing Companies?

Abstract

For our engineering and manufacturing site, frequent leadership, ownership, and operating model changes have led to difficulty instilling a culture of ownership and accountability in employees. From a best practices perspective, how should we approach this culture change?

Keywords

human resources, engineering industry, culture of ownership, employee accountability, culture change

Comments

Suggested Citation

Kovack, K., & Kang, S. K. (2015). *How can we instill a culture of accountability in employees in manufacturing companies?* Retrieved [insert date] from Cornell University, ILR School site: <http://digitalcommons.ilr.cornell.edu/student/77>

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EXECUTIVE SUMMARY

Research Question

For our engineering and manufacturing site, frequent leadership, ownership, and operating model changes have led to difficulty instilling a culture of ownership and accountability in employees. From a best practices perspective, how should we approach this culture change?

Accountability and Ownership Cultures

Accountability cultures leverage external motivation techniques to ensure managers hold employees accountable.¹ A prerequisite for an accountability culture is clarity on expectations. Yet, the Partners in Leadership 2014 Workplace Accountability Study revealed that many organizations are failing in this regard, as only 15% of organizations have clearly defined, cascaded messages of key organizational goals.² Specifically, “93% of employees don’t understand what their organization is trying to accomplish, 85% of leaders aren’t defining what their people should be working on, and 84% of the workforce describes itself as trying but failing or avoiding accountability.”³ Research has consistently shown through dozens of validation studies that the majority of employees will act accountable when⁴:

- (1) **Expectations are clear:** Empower employees with clarity around responsibilities, resources and training needed to succeed, and demonstrated alignment between their contributions and the organizational strategy. Understanding how performance is evaluated and timely, constructive feedback is also critical.
- (2) **Expectations are perceived to be credible and reasonable:** Commitment is effectively established when employees understand the underlying reasons for tasks. Ensuring employees have the capacity, capability, and accessible guidance helps employees feel like they’ve been set up for success rather than failure.
- (3) **Positive outcomes can be anticipated to follow performance:** The old adage that actions speak louder than words rings true. Employers must differentiate treatment and development of top-tier employees, minimize negatively perceived ‘rewards’ (such as extra work), and ensure promotion and reward decisions are aligned with what they say they value. Yet, remember that the impact of bonus awards is highly influenced by context and comparison.
- (4) **Negative consequences can be anticipated to follow poor performance:** After confirming employees had a fair chance to succeed, employers must be consistent and follow-through on negative consequences. Identical treatment of average and poor performing employees is especially detrimental.

On the other hand, ownership is an individual decision that cannot be forced by the organization. Yet, organizations can encourage ownership and the use of discretionary effort by creating the ideal environment, as described below.¹

- (1) **Work Content:** Challenging, intrinsically motivating work that contributes to organizational goals/ society
- (2) **Empowerment:** Autonomy in work products and personal/ professional development opportunities
- (3) **Connections:** Fun, upbeat settings that encourage collaboration, while ensuring individuals feel cared for

Lastly, Bain’s research with over 200 organizations has found that ‘Winning Cultures’ have distinctive personalities and values paired with high performance behaviors. These high performance behaviors include “(1) high aspirations and a desire to win; (2) external focus; (3) think like owners; (4) bias to action; (5) individuals who team; (6) passion and energy.” These behaviors clearly embody ownership and accountability while extending beyond to embed a drive for success.⁵

Culture Change

To create sustainable, engrained culture change, deliberate action is required. John P. Kotter is famous for his eight-step change model, which has been modeled by countless organizations for nearly 20 years. He recommends “(1) creating a sense of urgency; (2) building a guiding coalition to lead the change; (3) forming a strategic vision with initiatives aimed at achieving it; (4) enlisting a large, volunteer army committed to the change; (5) enabling action by removing obstacles; (6) generating short-term wins; (7) sustaining acceleration by ensuring all policies and actions reinforce the change; and (8) instituting the change by clearly showing how new behaviors have led to organizational success.”⁶ Other articles and case studies confirm these strategies are still relevant with similar recommendations. One article recommends recognizing that culture is a competitive advantage, regularly assessing processes to ensure they are current and align with the strategy, communicating an inspiring vision for the future, acting on engagement survey results to help employees feel valued, and creating “culture carriers” at every level to ensure a consistent message. Additionally, the article recommends reinforcing mechanisms, including hiring for fit and performance management/reward systems that demand exceptional performance.⁷ Bain & Company details the importance of setting clear expectations for why the change is needed, aligning the entire leadership team and ensuring their behaviors reflect the new vision, focusing programs on holding individuals accountable, and effectively managing the drivers of culture. The article further recommends celebrating every win while never declaring absolute success, as the journey is almost never-ending.⁵ Lastly, McKinsey encourages a three-step process

of diagnosing the root cause through data and facts, designing interventions with project charters, and delivering results with continuous monitoring. More generally, the article highlights the importance of using rigorous problem solving and analysis techniques to assess culture, limiting focus to a few cultural themes, using all five levers (role models, purpose, skill training, reinforcing mechanisms, and making it personal) to influence culture, and doing old things in a new way.⁸

Benchmarking and Case Studies

Ocean Spray manufacturing facility³

Ocean Spray's VP, like 80% of people, believed accountability was punitive action to ensure improvement without recognizing the potential to use accountability proactively. A new manager reframed accountability more positively and built a compelling vision of success to strive towards. This inspired creative problem solving, ownership, and taking initiative, while preventing blame. Using the "broken-down, rusted-out Volkswagen Beetle" analogy that management discouraged the plant with, the new manager posted a large picture of the Volkswagen on the wall. Then, a Porsche convertible poster was cut into puzzle pieces that stood for successful execution of an initiative. Once goals were met, the Porsche would cover up the Volkswagen. The visual reminder was inspiring and ensured clarity on goal expectations. In addition, the site focused on training the positive accountability model, encouraged leaders to personally model the behaviors, and tied engagement efforts to accountability initiatives.

Confidential – Wholly Owned Subsidiary of Fortune 100 Company with more than \$750M in Annual Sales⁹

With differing viewpoints on how to instill a culture of accountability, the company leveraged the Six Sigma DMAIC (Define, Measure, Analyze, Improve, and Control) framework to determine an effective process to create this desired culture.

Creating a cross-functional team to lead the initiative, the company took the following actions, described below by stage:

- (1) **Define:** The team defined the scope, goals, milestones, and customer benefits. Completing a "Critical-to-Quality" tree and identifying process drivers allowed for data-driven prioritization based on customer needs.
- (2) **Measure:** Completing a SIPOC (Suppliers, Inputs, Processes, Outputs and Customers) Diagram for each process selected allowed for a deeper understanding. A baseline assessment using surveys was conducted on the inputs and outputs found in the SIPOC to act as a reference point and emphasize urgency of action.
- (3) **Analyze:** A gap analysis revealed discrepancies between the current and desired state, which led to the development of an improved process aimed at targeting the root cause of the problem.
- (4) **Improve:** Through brainstorming, flow diagrams, hypothesis testing and consensus building, the team implemented their solution, which included the adoption of a balanced scorecard.
- (5) **Control:** Imbedding their solution in all practices and processes coupled with regular assessment ensured the problem was under control and encouraged pursuing opportunities for continual improvement.

Precor¹⁰

Starting by assessing the organization on four main accountability behaviors, "See it, Own it, Solve it, Do it," the company realized it's major opportunity for improvement and took action by setting a vision for the future, identifying key results for future focus, and articulating methods for achieving results. Utilizing cross-functional training, a common language was developed. To empower employees, simulation trainings were used to develop new skill sets and show employees how each role contributed Precor's overall success or failure. Precor used new communications to show how employee actions were linked to the bottom line, developed a team-success mentality through "Dials on the Dashboard" emails that recapped the company's performance, and publicly rewarded positive behaviors while taking personnel actions with resisters.

Confidential - Fortune 500 Company¹

The company used case studies to instill an understanding of performance expectations. Weekly, employees read a case and rated the employee on their performance against agreed upon goals. Comparing their rating to senior leaderships', along with a detailed overview of reasoning for the rating provided clarity. In addition, managers were taught effective ways to deliver constructive feedback. Recorded role-plays were reviewed and individual development plans were created.

Conclusion

As the research and case studies have shown, culture change is a challenging task requiring coordinated, consistent action in many regards. Ownership and accountability cultures can produce unparalleled results for any organization, but to be successful, culture change efforts must be tailored to align with the organization and employee's expectations.

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Appendix

FIGURE 1: LACKING ACCOUNTABILITY

The 2014 Workplace Accountability Study reveals a widespread accountability void that has negative but reversible consequences.

